February 2, 2012

CLEVELAND'S PLAN FOR TRANSFORMING SCHOOLS

reinventing public education in our city and serving as a model of innovation for the state of Ohio

Submitted to:
Ohio Governor, John R. Kasich
Ohio Speaker of the House, William G. Batchelder
Ohio Senate President, Thomas E. Niehaus
Ohio House of Representatives Minority Leader, Armond Budish
Ohio Senate Minority Leader, Eric Kearney

From:
Mayor of the City of Cleveland, Frank G. Jackson

PART I: INTRODUCTION

The Mayor of the City of Cleveland is committed to a plan that will reinvent public education in our city and serve as a model of innovation for the state of Ohio. Our goal is to ensure every child in Cleveland attends a high quality school and that every neighborhood has a multitude of great schools from which families can choose. To do this, Cleveland must transition from a traditional, single-source school district to a new system of district and charter schools that are held to the highest standards and work in partnership to create dramatic student achievement gains for every child. The plan is built upon growing the number of excellent schools in Cleveland, regardless of provider, and giving these schools autonomy over staff and budgets in exchange for high accountability for performance. We will create an environment that empowers and values principals and teachers as professionals and makes certain that our students are held to the highest expectations. Our efforts are grounded in two equally compelling dynamics:

First, we are driven by a fierce sense of urgency. Public education has been shackled by so much—by legal restrictions, bureaucracy, work rules, traditions and the influence of our shared experience growing up in an America not yet attuned to the intensity of global competition. We can no longer tolerate these restraints. The reinvention of education in Cleveland demands a giant leap of imagination, as we know that students in Cleveland are not building the knowledge, skills and attributes that position them to be successful and competitive in the 21st century global economy. Public trust and confidence in the schools over decades have almost evaporated, evidenced most dramatically by the district's steep drop in enrollment. And an untenable financial situation is forcing draconian cuts in services that result in more and more students and families leaving the district and the city.

Second, we are driven by an informed sense of hope, as Cleveland has already started this journey to transformation. The last several years have shown investments in new and redesigned schools, partnerships between the district and high-performing charter schools, differentiated investments in schools, and more. Cleveland has innovative options that are achieving noteworthy results: Campus International, a high demand K–3 school housed on Cleveland State University's campus; MC^{2}STEM high school, where first and second year students attend school full time at the Great Lakes Science Center and General Electric's Nela Park; and Near West Intergenerational School, where young students learn alongside elders within a mastery-based curriculum. But the future must include many different kinds of schools [*see sidebar*] that inspire the public and give children and their parents choices

Imagine…

A Global Language Academy that immerses students in the languages and cultures that are shaping the world – particularly Chinese and Arabic. The curriculum would include study abroad opportunities for students and teachers and live-feed interactive learning with students from other countries. Partnerships with local nationality groups and with Global Cleveland would be important tools to infuse real-world content into the curriculum.

An Environmental Science School that deliberately connects students to the lake, the Metroparks and the Cuyahoga Valley National Park. Students will work alongside scientists and naturalists on pressing environmental issues that affect the health and welfare of our community.

Early Childhood Academies in every neighborhood that use a year-round preschool to third grade loop to guarantee that children enter fourth grade at or above grade level to prevent the need for remediation. Along with a strong academic focus, special attention would be paid to ensure social/emotional readiness.

from among an array of innovative options. Our schools must run beyond the agrarian school calendar of the 19th century, beyond printed textbooks and beyond the physical walls of today's classrooms. Fundamentally, schools in Cleveland must break the one-size-fits-all premise of today's education system.

This plan is more than an operational overhaul. If we do not forge a dramatically different path now, the future of quality public education of any kind in Cleveland is in serious jeopardy. Cleveland's leadership is committed to work toward this new vision of education that will inspire and convince the public that our city and our schools are worthy of the investment of their children and dollars.

PART II: THE TIME TO ACT IS NOW

Public education in Cleveland is at a crossroads. **On the one hand, the Cleveland Metropolitan School District (CMSD) has undertaken significant reform efforts, particularly in the past five years, generating positive results for some students.** Additionally, a group of high-performing charter schools have joined these reform efforts and developed more robust partnerships with the district.

In 2006, the CMSD began to open new schools that provided some autonomy at the site level in exchange for accountability. These schools were intended to test new models of education and demonstrate that high quality schools could attract and retain students and families in Cleveland. A total of 13 new district schools have opened in the last five years and are steadily building enrollment and demonstrating high performance.

Imagine…

An Urban Cooperative School that offers a holistic live-learn-work environment. Part of a surplus school building would be converted to living units for students, parents and teachers, with the entire operation managed by the cooperative. This school would serve some children and families whose circumstances defeat the best efforts of teachers in traditional schools.

A Residential Boarding School where students would live and learn five or seven days per week with adult supervisors/teachers also living on campus.

Career Technical Academies in several areas of the city where high school students are immersed in careers through internships and mentoring and use credit flexibility and blended technologies to ensure college and career relevance and readiness.

An English Immersion School that targets Spanish-speaking and other students to dramatically accelerate their mastery of English. This could include an option for students to partake in a local "exchange" program, where they spend a semester in an English-speaking home in or around Cleveland.

In spring 2010, the CMSD adopted its Academic Transformation Plan, a comprehensive approach to central office redesign and school-by-school improvement. This plan is a significant step forward for the community. Over the past two years, district leadership has worked diligently to implement critical aspects of the plan, including restructuring central office to cut costs and better support schools, implementing a more customized approach to managing schools, and expanding the number of new and redesigned schools. This expansion included partnerships with a number of high-performing charter schools in Cleveland, marking an important shift in conversation to *excellence* regardless of the type of school. These efforts have produced some noteworthy results:

- The number of excellent and effective district and charter schools in Cleveland has grown from 14 in 2006 to 37 in 2011. Currently, these schools enroll more than 11,400 students.

- A more diverse set of options are offered by the CMSD than ever before, including 13 new schools opened since 2006: Cleveland School of Science and Medicine, Cleveland School of Architecture and Design, Early College, MC^{2}STEM, Design Lab, Ginn Academy, two New Tech high schools, four single-sex elementary schools and Campus International at Cleveland State University, as well as a redesigned Max Hayes.

- The CMSD is the only district in the state that has a robust partnership with high-performing charter schools based upon the rigorous National Association of Charter School Authorizers' standards. Six charter schools are sponsored by the CMSD, one of which is co-located with a district high school and another located in a building purchased from the district.

- The CMSD is one of only a few districts in the country chosen to pilot the common core state standards (the new college and career ready standards adopted by Ohio and 39 other states) with funding from the Bill and Melinda Gates Foundation. CMSD teachers in grades K–2 have been trained and are implementing the new standards, while teachers in grades 3–5 are preparing for implementation of these new standards in fall 2012.

- In partnership with the Cleveland Teachers Union, the CMSD is implementing a new teacher development and evaluation system based on professional standards for the field as well as student performance. Twenty-three schools are using this new system currently and all schools will move to this system in 2012–13. Additionally, the Cleveland Teachers Union and the district have agreed to begin the development of a differentiated compensation system aligned to the teacher development and evaluation work.

- Improved school safety and learning conditions in the CMSD have led to a 36 percent decrease in serious safety incidents, a 15 percent reduction in student suspensions, a measurable increase on students' reported perceptions of safety and student support, and an increase in student attendance over the past four years.

On the other hand, the pace of change is not fast enough, nor deep enough to overcome the challenges facing the district. These challenges span academics, finances, operations and enrollment and threaten the very existence of public education in the city:

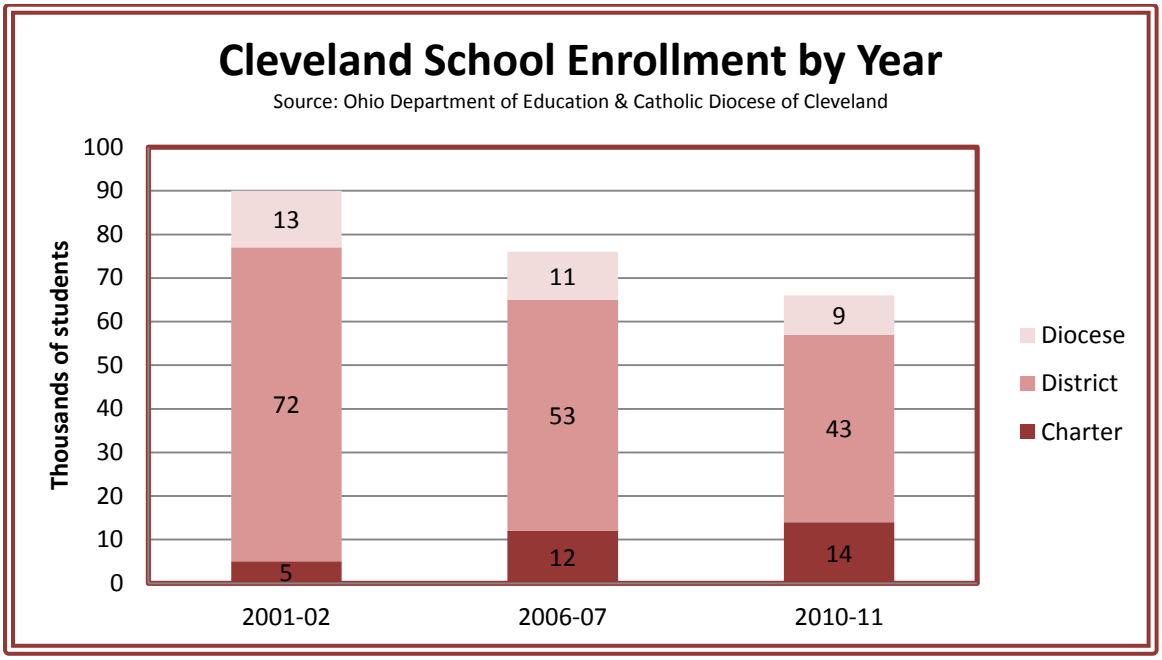
- *Academics:* Despite progress, the quality of education in schools remains unacceptable and the pace of improvement inadequate. In the 2010–11 school year, 55 percent of Cleveland schools (district and charter) were in academic watch or academic emergency. In fact, one-third of Cleveland neighborhoods have only failing schools. On the 2011 Ohio Achievement Assessments, just 43 percent of fifth grade CMSD students tested proficient in reading and 30 percent tested proficient in mathematics. National and international comparisons are worse, which is particularly alarming in terms of Ohio's impending shift to the new and much more rigorous common core standards. Most telling of all, for every 100 students entering ninth grade in Cleveland, 63 will graduate high school, 34 of those graduates will enroll in college, and just seven will graduate with a bachelor's degree.

- *Finances:* The CMSD risks insolvency. It faces a $64.9 million budget deficit in 2012–13: more than ten percent of the current fiscal year's operating budget. The budget deficit in 2013–14 is projected to be an additional $40 million. This situation persists despite cost reductions of over $100 million over the past two years, including 23

school closings, layoffs of hundreds of employees, compensation and benefit reductions and the sale of district buildings. This deteriorating financial position reflects structural issues that have developed over the past 40 years: automatic step/scale increases in salaries, rising health care costs, declining enrollment, diminishing tax collections and the lack of a new operating levy since 1996. Community driven priorities—preschool, transportation, arts, music and sports—are at risk, as are new school start-ups and support. For the district's charter partners, lack of access to full public funding results in high-performing charter schools supplementing general operations with philanthropic support, an unsustainable position in the long run.

- *Operations:* The CMSD is mired in bureaucratic, outdated and cumbersome work rules. State laws, management/union contracts, arbitration rulings, past practices and traditions developed over decades have resulted in layers of rules that hamper progress and require uniformity within and throughout the system. The district lacks sufficient flexibility with regard to staffing, funding, resource allocation, management decisions, scheduling, school calendar, and overall school autonomy. One result is that principals have very little say in how their schools operate, how resources are allocated and who is on their team.

- *Enrollment:* The most telling manifestation of the challenges facing the district is declining enrollment. More than 30,000 students have left the CMSD over ten years. This enrollment decline is a combination of decreasing city population, declining birth rates and parents opting out of the public school district and entering charter schools. Regardless of reason, the fact is that public education in Cleveland has lost both public confidence and market share. Unfortunately, as Cleveland parents pick alternative schools for their children, some are selecting schools that are consistently low performing, while space in high-performing schools goes unused. Despite this, the CMSD remains the 2nd largest school district in Ohio, with some 66,000 children grades K–12 within its jurisdiction and approximately 43,000 students in its schools.



PART III: CLEVELAND'S PLAN

With our goal of ensuring every child in the city attends an excellent school and every neighborhood has a multitude of great schools from which families can choose, Cleveland seeks to reinvent our public education system. Our plan is based on an emerging national model that profoundly changes the role of the school district. This approach, or *portfolio strategy*, is showing promising results in cities such as Baltimore, Denver, Hartford, New York and others. In fact, Cleveland is one of 23 school districts involved in the Portfolio School District Network, facilitated by the Center for Reinventing Public Education. The Center has identified seven tenets of autonomy and accountability [*see sidebar*] it views as essential to the portfolio strategy.

CHARACTERISTICS OF PORTFOLIO DISTRICTS

Citywide choices and options for all families

School autonomy

Pupil-based funding

Diverse support providers

Talent-seeking strategy

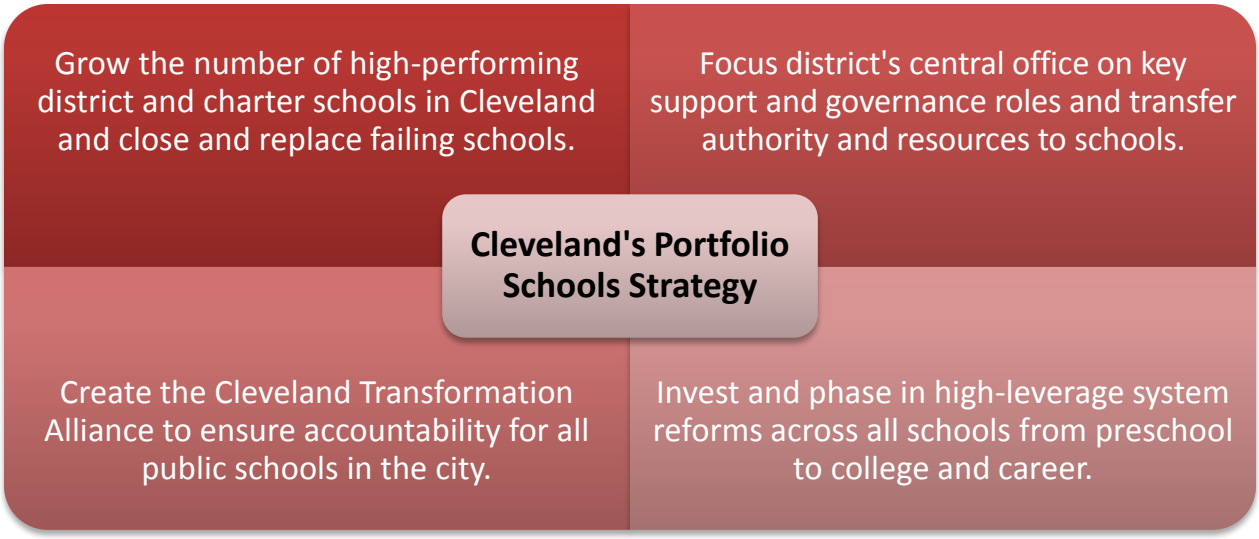
Extensive public engagement

Performance-based accountability for all schools

Cleveland wants to transition from a traditional, single-source school district to a new system of district and charter schools that are held to the highest standards of performance and work in partnership to create dramatic student achievement gains for every child. Our main premise is that excellent schools, led by exemplary principals and staffed by talented teachers, should have full autonomy over human and financial resources in exchange for high quality and accountability for performance. This approach will open the system to new ideas, talents, management philosophies and community assets so that our students can make the kind of breakthroughs in performance required to compete in, and contribute to, the 21st century global economy.

In order to provide powerful educational experiences and achieve dramatic results for our students, we acknowledge that we must do away with traditional approaches and long-held arrangements that have hardened into place over decades. We also need to move from talk of reform to substantive and tenacious action. We realize that we must honestly confront what it will take to move our students to where they need to be, while simultaneously redefining what, how and from whom our students learn. We recognize, also, that this work must occur within the larger context of students' too-often troubled environments. But these challenges cannot be used as excuses; excuses do not change outcomes. Rather, it is because our students face these challenges that we must create a transformed system that will look and feel very different from what we have today.

In the development of our plan, we acknowledge the Center for Reinventing Public Education's research and analysis, as well as the district/charter compact work funded by the Bill and Melinda Gates Foundation and the recently released report by Mind Trust and Public Impact, *Creating Opportunity Schools*, on transforming Indianapolis Public Schools. Our plan for Cleveland has four interwoven and research-based strategies, most of which will require the Governor's and General Assembly's support:



GROW THE NUMBER OF HIGH-PERFORMING DISTRICT AND CHARTER SCHOOLS IN CLEVELAND AND CLOSE AND REPLACE FAILING SCHOOLS

Cleveland has a deep interest in providing every child in the city an excellent education and also has an obligation to ensure that every neighborhood has great schools. But as our past performance suggests, getting there is not easy. Building on and accelerating our work to date, Cleveland's plan is fundamentally built on aggressively growing the number of high-performing schools while phasing out those that are not. Cleveland will define and support excellence under the moniker of "Transformation Schools" with four strategies to ensure that every child in Cleveland is attracted to and retained in an excellent school:

Promote, expand, and replicate existing high-performing district and charter schools. Great public schools in Cleveland (district and charter) that meet high performance and accountability standards can become Transformation Schools starting in the 2012–13 school year. Currently just 24 percent of public schools in Cleveland meet this standard. They must continue to perform at high levels and serve Cleveland's children to keep this designation. Transformation Schools operated by the district will be given full autonomy over school budgets, staff selection and assignment, academic and student support programs, school calendar and schedules in exchange for high accountability standards. Transformation Schools operated by charter schools or charter management organizations will enter into agreements with the district that specify expectations and required outcomes in exchange for financial and other resources. As many of these schools are not fully enrolled, a priority will be to fill these schools to capacity and then increase the number of students they serve. We will also replicate those schools that demonstrate success.

Start new schools. We will bring the best national education models to Cleveland and also invent our own schools that are unique to our city. Any new school that the CMSD authorizes and supports—district or charter—must demonstrate how its students will be prepared for the new realities of globalization and technology, the need for 21st century knowledge and skills, and a diverse, multicultural and multidisciplinary world. We will encourage local community partners to co-create new and innovative school models, and also

provide Cleveland teachers the opportunity to design new or adapt proven school models. New schools will be geographically dispersed and will offer a broad range of academic choices for students and parents.

Refocus and strengthen mid-performing schools. Currently, 21 percent of Cleveland schools meet minimum state standards, have some critical academic and social conditions in place and demonstrate potential for success. The CMSD will employ precise, customized and differentiated interventions and investments based on the strengths and weaknesses of individual schools to move these schools to meet the standards of Transformation Schools. This may include intensive student tutoring and formative assessments, model lessons and technology curriculum integration, as well as staffing and calendar changes. As warranted, these schools will be granted some levels of autonomy.

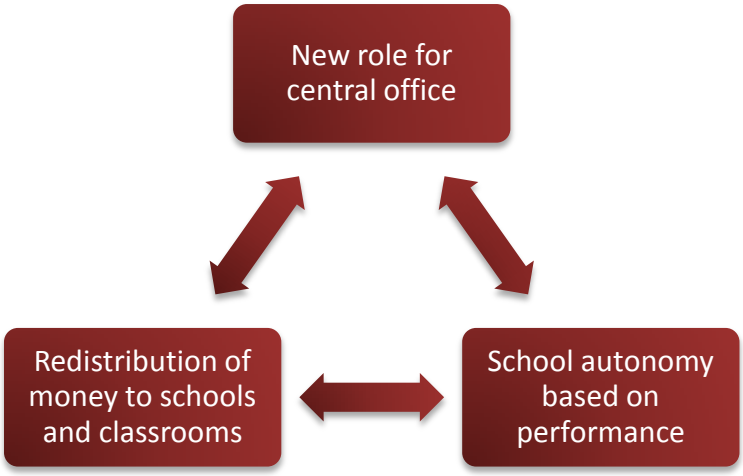
Repurpose and address low-performing schools. Currently, 55 percent of Cleveland schools are failing to meet even minimum state standards. Each year, the CMSD will target the lowest 10–15 percent of these schools for immediate and dramatic action, including closure and reassignment of students to better schools, closure and start-up of a new school, phase in of a new program and phase out of the old, or turning the school over to a capable charter operator. The CMSD will assign the remaining low-performing schools to a small cadre of turnaround directors. These directors will be charged with establishing turnaround goals, strategies and timelines for each school. Where significant and rapid improvement is not achieved, the director will recommend schools for one of the immediate interventions described above.

The growth of high-performing district and charter schools in Cleveland and the closing and replacing of low-performing schools will be based on a consistent standard of quality. The network of Transformation Schools will be used to help incubate new school models and provide professional development and training venues for other schools.

FOCUS DISTRICT'S CENTRAL OFFICE ON KEY SUPPORT AND GOVERNANCE ROLES AND TRANSFER AUTHORITY AND RESOURCES TO SCHOOLS

Over the past fifty years, the CMSD has evolved into a highly bureaucratized, standardized and tightly controlled organization that manages staffing, scheduling, curriculum, operations and budgets from central office, far removed from the day-to-day operations of schools. This is the result of a combination of state and federal regulations, management/union contracts and institutional customs, all of which constrain flexibility, innovation, strategic resource allocation and rapid responsiveness to changes in community needs and educational trends.

In Cleveland's proposed new portfolio system, the roles and responsibilities of central office will be significantly focused so it becomes a flatter, more nimble, and more strategic professional organization that employs a differentiated management system and drives resources to the school building. These changes will require a fundamental shift in mindset, roles and capacity across the organization. There are three components of this strategy: a new role for central office, school autonomy based on performance, and redistribution of money to schools and classrooms:



New role for central office. The CMSD's central office will oversee the continuous improvement process, provide system coordination and offer targeted services to schools:

- *Continuous improvement process:* The new, primary role of CMSD's central office will be to manage the portfolio of schools to ensure that all children in Cleveland have access to an excellent school. The district will focus on rapidly growing the number of Transformation Schools and promptly closing and replacing low-performing district schools. The district will authorize the creation of new district and district sponsored/contracted charter schools, monitor and evaluate schools annually and hold all schools accountable for success. The CMSD will also promote a culture of innovation and pilot new educational practices, models and organization.

- *System coordination:* The CMSD will be responsible for coordinating several essential functions that add value for schools, promote the interests of children and protect the integrity of the organization. These functions will include: a fair and informative citywide enrollment process, collection and dissemination of data, appropriate communications with the public, creating a robust talent pipeline, incubation and attraction of new schools, and compliance with state and federal regulations.

- *Service provision:* The CMSD will provide targeted services that are essential to the smooth operation of the system and allow schools to focus on educating their students. These functions will include administering local tax revenues, allocating per-pupil funds to schools, managing facilities, and handling accounting and payroll, as well as maintaining critical functions related to special education identification and services. The district may offer other services to schools on a fee basis, like professional development, etc. Finally, the district office will continue to supervise mid- and low-performing schools until they meet the standards to become Transformation Schools or until they are closed and replaced.

School autonomy based on performance. Under this proposed portfolio system, schools will be given varying levels of autonomy depending upon their level of performance. Transformation Schools will have the greatest level of autonomy over school budgets, staff

selection and assignment, academic and student support programs, school calendar and schedules and will be accountable for delivering an excellent education. The CMSD's central office will monitor performance annually but will have no day-to-day management authority over these schools. Mid-performing schools will have some control over staffing and budget but will create improvement plans that are approved and monitored regularly by the district. Finally, low-performing schools will be guided by aggressive intervention plans that will require flexibility in staff and resource decisions. Of course, all schools will have to abide by certain state and federal requirements, such as state testing, non-discriminatory enrollment policies, meeting health and safety standards, and providing education to students with disabilities and English language learners.

Redistribution of money to schools and classrooms. The CMSD is committed to shifting to a weighted per-pupil funding system for all schools. This entails analyzing cost-per-graduate versus cost-per-student when determining investments and transferring a majority of spending control to schools based on the number and needs of the students they enroll. District Transformation Schools will largely be able to spend the funds they receive as they see fit to advance student learning and manage and operate a successful school. This will include spending authorization for staff, classroom instruction, student enrichment, supplies and other resources that are not confined by regulatory structures, much like charter schools operate today. While mid- and low-performing schools will also move to a per-pupil funding model, their use of funds will be more prescriptive as described in the above interventions.

The district will also identify ways to authorize the transfer of some locally generated tax revenues to charter-operated Transformation Schools that are sponsored by or have agreements with the district. This shift in funding to schools will incentivize schools to maintain excellence and grow enrollment; more pupils means more dollars. Schools will have to attract and retain students, which will require an intense focus on customer service, school safety, enrichment offerings and academic performance.

INVEST AND PHASE IN HIGH-LEVERAGE SYSTEM REFORMS ACROSS ALL SCHOOLS FROM PRESCHOOL TO COLLEGE AND CAREER

Beyond the investments in this new, performance-based system of schools, we have identified several fundamental building blocks upon which this plan must be built: high quality preschool education, college and workforce readiness, year-round calendar, talent recruitment and capacity building, academic technology enhancement, and support for high-quality charter schools.



High-quality preschool education. Research consistently demonstrates that high-quality preschool programs that promote academic, social, emotional and physical readiness have an exponential return on investment. In Cleveland, about 50 percent of the district's kindergarten students were enrolled in district preschools as 4-year-olds, with evidence of enormous gains in kindergarten readiness after program completion. Plans call for expanding preschool to all 4-year-old children across the city through school-based programs and community-based partners in the near future, with a goal of eventually expanding to 3-year-old children as well.

College and workforce readiness. Through its commitment to the Higher Education Compact of Greater Cleveland, the district and its charter partners will invest in college readiness, access and persistence for all its students, with the goal of improving Cleveland college enrollment and graduation rates. This will include increasing the number of high school students enrolled in post-secondary coursework and partnering with local employers to train and connect students with open positions that will provide immediate and long-term employment opportunities.

Year-round calendar. The traditional school year—less than six hours of instruction each day for just 180 days a year—is not enough time to close achievement gaps and build the knowledge, skills and attributes that position our students to be successful and competitive in the 21st century global economy. Learning time for students will be increased in all schools, and Transformation Schools will be given authority to alter the school calendar and classroom schedules to meet their individual demands. We will invest in year-round options and flexible school start/stop times, and build in planning and reflection time for principals and teachers.

Talent recruitment and capacity building. Cleveland will supplement its current highest performing educators with a newly recruited corps of exemplary principals and teachers to lead and teach in district and charter schools. Partnerships with Teach for America and the Woodrow Wilson National Fellowship Foundation, among others, will be coupled with rigorous development of internal talent to identify educators who can positively change the trajectory of children's lives. With our district-sponsored charter schools, we will explore the expansion of the Cleveland Urban Teacher Residency program, partnering with local universities to provide urban teaching preparation experiences for their students.

Academic technology enhancement. Cleveland will expand its investments in academic technologies, including software, hardware and the staff training to make it successful. Not only does our students' success in the 21st century knowledge economy require technology savvy, but advances in computer-aided and web-based instruction can strengthen the effectiveness and efficiency of teaching. Specifically, this plan calls for the advancement of computer-assisted instruction, including the exploration of blended classroom models.

Support for high-quality charter schools. The plan focuses on building partnerships with high-performing charter schools in Cleveland that serve Cleveland's children. In the long run, charter schools' existence and expansion will require additional state and local resources. As a first step, we support a Cleveland pilot of "Invest in the Best," which seeks additional funding for the highest performing charter schools.

CREATE THE CLEVELAND TRANSFORMATION ALLIANCE TO ENSURE ACCOUNTABILITY FOR ALL PUBLIC SCHOOLS IN THE CITY

Currently, there is no "one" organization that is responsible for the quality of all public school students in Cleveland. Approximately 70 percent of public school students attend district schools under the governance of the Cleveland Board of Education. Another 30 percent attend charter schools, each with its own governing board and authorizer. Currently, there are ten authorizers in the county that sponsor schools in Cleveland. This dispersed authority can be a strength. It ensures that no single entity holds a monopoly over schools, encourages entrepreneurship, fosters the development of new models and can limit bureaucracy. But it also has limitations. Most notably, the public, and our parents in particular, lack consistent, useful information about the quality of schools in Cleveland.

To address this challenge, we will create the Cleveland Transformation Alliance, a public-private partnership charged with ensuring the growth of a portfolio of high-performing district and charter schools in Cleveland. The composition of the Alliance will include representatives from the district, the charter sector and the community (business, foundation, civic and neighborhood, among others). The majority of the Alliance membership will come from outside the district to ensure external support for and participation in the plan. It will be supported through a combination of private and public funds. The Alliance will not replace the existing authority of the Cleveland Board of Education or the boards of independent charter schools, but rather assume the following unique roles: ensure fidelity to the citywide education plan, assess the quality of all Cleveland schools, communicate to parents about quality school choices and serve as a watchdog for charter sector growth in Cleveland:

Ensure fidelity to the citywide education plan: The Alliance will ensure that all components of the plan are implemented based on an agreed upon timeline and measures of success. In particular, the Alliance will work with the CMSD and partnering charter schools to develop a multi-year plan to ensure that Cleveland is developing a diverse set of educational options for students and families across the city. The Alliance will have a particular focus on bringing the best national education models to Cleveland and spurring models unique to our city with local community partners. The Alliance will also develop venues for the community and institutions to have a voice in the development of new schools. The Alliance will monitor and ensure faithful execution of the plan for the benefit of all of Cleveland's children. Should conflicts arise among any of the Alliance partners, the Alliance will serve as the mediator and provide written recommendations to be considered by the parties in the resolution of these conflicts.

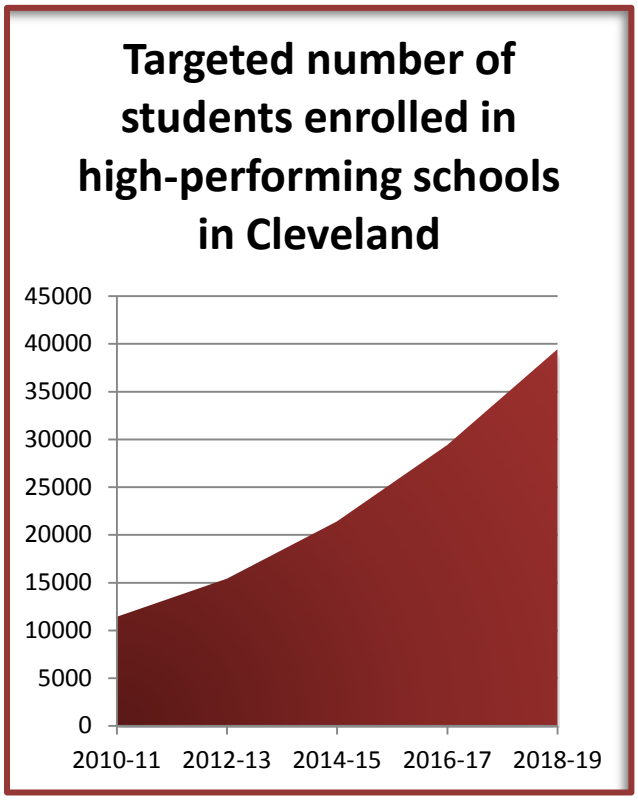
Assess the quality of all public schools in Cleveland: The Alliance will work with the CMSD and partnering charter schools to adopt a quality framework to consistently evaluate the performance of all public schools in Cleveland. This framework will be evidence-based, comprehensive and look objectively at academic, financial and operational performance, as well as student, parent and teacher satisfaction. All public district and charter schools in Cleveland will be annually assessed using this framework. Once collected and analyzed, the Alliance will work with the state to ensure that all schools are held accountable for performance, and recommend speedy closure as necessary.

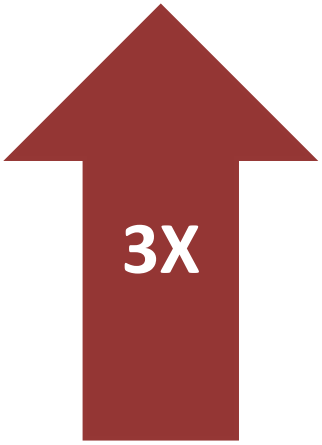
Communicate to parents about quality school choices: The Alliance will be responsible for communication with the public (in particular students and their families) about the quality of public schools in Cleveland. The Alliance will produce an annual report summarizing the results of the school quality reviews and will mount an aggressive marketing campaign during open enrollment to provide students and families with the information they need to make good educational choices.

Watchdog charter sector growth: Currently, Cleveland has no ability to influence the quality of charter schools that open within city limits nor whether failing schools close. As a first step, the Alliance will promote standards developed by the National Association of Charter School Authorizers as it relates to the authorization of new charter schools and timely closure of failing charters. In order to open a charter school in the City of Cleveland, the Alliance will request that the state require "sign off" by the Alliance in addition to sponsorship by an authorized entity as currently defined in state law. To ensure fairness and transparency, an appeals process to the Ohio Department of Education will be defined should the Alliance deny approval to a charter school that meets the defined standards.

PART IV. CREATING THE CONDITIONS FOR SUCCESS

Cleveland's success will be apparent when every child in the city attends an excellent school and every neighborhood has a multitude of great schools from which families can choose. We believe that our strategy will aggressively grow the number of high-performing schools and students served by those schools. We have high aspirations:





Our goal is that at the end of six years, we will have tripled the number of Cleveland students enrolled in high-performing district and charter schools, and eliminated failing schools.

Cleveland's plan to reinvent public education in our city has the support of a broad range of stakeholders including the mayor, the school district's CEO and school board, and leaders from the business, foundation and charter school communities. We are committed to doing everything within our power to execute this plan. But we must have the right policy conditions in place. These conditions include: necessary changes in state policy, a fresh start in labor-management agreements and relationships and a financial sustainability plan.

NECESSARY CHANGES IN STATE POLICY

Two sets of policy changes have set the stage for implementation of our plan. First, in 1997, the Ohio General Assembly passed House Bill 269, which changed the governance structure in Cleveland from an elected to a mayoral appointed board. This decision was overwhelmingly reaffirmed by Cleveland voters in 2002. Mayoral control has provided 14 years of leadership stability: we have had just three superintendents since 1998, compared to seven superintendents in the previous decade. Second, the Ohio General Assembly passed a significant number of education reforms during the past two legislative sessions including stronger academic standards and assessments, requirements for a new teacher evaluation system, some limits on seniority in reduction in force situations, strengthened controls on charter schools, and creation of innovation schools and zones.

While these are important steps forward, they do not provide the necessary policy levers required by Cleveland's plan. First and foremost, the district and its schools must be able to improve the quality of their workforce and to flexibly use staff and other resources where needed. They need the authority to make staffing decisions based on performance rather than seniority, reward and extend the reach of high-performing teachers, and more easily exit low-performing teachers. Second, the district must have the power to move quickly and flexibly to intervene in its lowest performing schools in dramatic and game changing ways. Finally, our community needs better policy in place to support the development of a high-quality charter sector in Cleveland. Failing charter schools only siphon funding from other schools and often leave students worse off than when they enrolled. Charters forced to close simply reopen themselves under new names and the same failing practices.

FRESH START IN LABOR-MANAGEMENT AGREEMENTS AND RELATIONSHIPS

In order to take advantage of the complex and substantive state policy changes discussed above, successful implementation of this plan requires a different collective bargaining framework and process. All of our current labor contracts reflect and enforce the top down, centrally controlled nature of traditional school districts. Cleveland's current contract with the Cleveland Teachers Union, for example, establishes standard operating procedures for all schools (e.g. start/end times, the length and frequency of staff meetings, the school calendar, assignment of personnel, etc.). It promotes standardization of education and discourages innovation. Over time, in fact, more and more district decisions have been collectively bargained, hampering leadership's ability to make strategic decisions quickly and to use resources flexibly. The 2003 contract with the Cleveland Teachers Union was ranked 49th out of 50 most restrictive big city contracts by the Fordham Institute. An examination of this same contract and its successor by the National Council on Teacher Quality itemizes line after line of constrictive and inflexible rules that do not align with an autonomy/accountability performance model.

There is an increasing body of research that points to the positive correlation between teacher quality and student achievement, particularly for low-income children. This reinforces what we have long known: that the teaching profession must move from an outdated civil service system to a more professional and performance-based system. Where traditional collective bargaining agreements have been concerned with delineating employee rights, we need an agreement that champions workforce quality.

Recent efforts by both parties to redefine work rules (e.g., memoranda of understanding for innovative schools) point out the limitations of the current collective bargaining environment grounded in decades of tradeoffs and cumbersome negotiation practices. Decisions that should be able to be reached in a matter of days take months. The traditional bargaining practice of adding and subtracting to the existing contract—essentially a give-and-take approach—will not get us where we need to be. Currently, Ohio requires collective bargaining on wages, hours, terms, and other conditions of employment and the continuation, modification, or deletion of an existing provision of a collective bargaining agreement. We will not be able to fully leverage the requested state policy changes without a "fresh start," as the philosophy and approaches inherent in existing management-union contracts significantly constrain the direction and spirit of Cleveland's proposed plan.

> …Labor and management, those of us charged with educating our children…have a mutual responsibility to ensure student and school success….So much of what is bargained is an attempt to codify behavior that, in a trusting relationship, would never need to be codified. If we adhere to this vestige of the factory model, there will be no sustainable, positive change in public education.
>
> *A New Path Forward*
> Randi Weingarten
> President, American Federation of Teachers,
> January 12, 2010

FINANCIAL SUSTAINABILITY PLAN

The future of public education in Cleveland is dependent on financial stability and sustainability. As we have noted, the district is projecting enormous deficits in the foreseeable future, including a $64.9 million dollar operating gap for 2012–13 and an additional $40 million deficit the following year. Several factors contribute to this ongoing financial imbalance. Foremost are significant increases in costs in the areas of salaries and benefits resulting, in part, from automatic annual step increases and rising health care costs. Revenues are simultaneously declining due to a reduction in local tax collections and no new operating levy since 1996, as well as a greater than anticipated decrease in state revenue triggered by Ohio's elimination of the guarantee funding formula. These deficits pose an almost insurmountable challenge. On the one hand, the district needs to protect what is working, avoid draconian cuts and invest in key aspects of this plan. On the other, the state law requires that the district operate with a balanced budget. To ensure short- and long-term sustainability, the district will balance its budget using a variety of approaches:

Cost reductions	Implement new efficiencies, outsource services, reduce labor costs and close additional under-enrolled, low-performing schools.
Reallocation	Seek ability to use current resources more flexibly, particularly in the personnel area.
Increased revenue	Seek voter approval for an operating levy in November 2012 to ensure implementation of the plan. Pursue increased county tax collection.
New grant funding	Seek additional funding from local business, foundations and government to jumpstart key aspects of this plan.

We realize that it is our responsibility to close this deficit, and we will do so. However, the long-term financial survival of the district is dependent upon the interwoven elements outlined in this plan that allow us to do business differently.

LEGISLATIVE PRIORITIES

The assistance of the Governor and General Assembly in putting in place the conditions for success described above is essential to Cleveland's plan. Quite simply, we cannot do it without your help. As you consider our request, it is critical that this plan be viewed as a package, not as a disparate set of menu options. We have identified six priority areas where state action is vital.

District Autonomy and Flexibility

- Provide CMSD the same waivers and exemptions provided to charter schools.
- Enable CMSD to manage its fiscal assets flexibly, including the sale of real estate.
- Require CMSD to take immediate action with regard to its lowest performing schools.

Modern Employment Practices

- Eliminate seniority as the sole or priority factor in any employment or assignment decision including reduction in force situations.
- Enable more streamlined and standards-defined dismissal process.
- Empower CMSD leadership to determine contract duration, terms and non-renewal criteria, including establishing a probationary period for all staff.
- Require a differentiated compensation system to attract and retain excellent teachers and principals, aligned to the new teacher evaluation system and with performance as a key, but not sole, factor.

District-Charter Partnerships

- Allow the district to share local levy revenues and other assets (including buildings) with high-performing charter schools sponsored by or under contract with the CMSD.
- Allow the district to count enrollment of district sponsored charter schools.

Charter Sector Quality

- Provide the Cleveland Transformation Alliance with sign-off authority on new charter authorizations in the City of Cleveland.
- Close loopholes in existing law that allow bad charters to close and re-open under different sponsorship and ensure bad schools are closed permanently, including prohibiting transfer to the Ohio Department of Education for continued operation.
- Require notice for school closures to be made to parents in June, thereby eliminating a "lame duck" year.

Fresh Start in Collective Bargaining

- Require the CMSD and contracting parties to begin future negotiations without carryover terms from previous contracts.

Targeted Financial Support for the Plan

- Start-up and expansion of new and high-performing school models.
- Implementation of year-round schooling.
- Support for high quality charter schools (i.e., a Cleveland pilot of "Invest in the Best").
- Introduction of new business systems to support the plan (e.g., per-pupil funding model).